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CENTRAL INTELLIGENCE AGENCY

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1. It has been decided not to hold a spring Leipzig Fair, in view of the fact that time is so short and that many of the producers will be preparing new lines of goods for the coming season. It is planned to hold the regular annual Leipzig Fair sometime next fall, presumably in September.
2. Around the first part of November 1953, there was a Parteiaktivsitzung at the Ministry of Foreign Trade, at which three secretaries of the DIA were present, as well as representatives of the Chamber of Foreign Trade (KfA), including Dr. Gottfried Lessing, the chairman. Fritz Lange, Chairman of the Central Commission for State Trade, was also present. He severely criticized Minister of Foreign and Internal German Trade, Kurt Gregor, saying that foreign trade had been poor, that export quotas for 1953 were not fulfilled, and that in the negotiations for imported items, East Germany, out of ignorance, had paid as much as \$1.00 a ton more than the current world price.
3. It was also made clear at this meeting that the main effort of the New Course was to be directed toward the field of foreign trade and was to include not only East Germany, but also the entire Eastern Bloc. The plan is to undertake a general attack on Western, capitalist markets during 1954. This is to be done by sending to the capitalist countries, exports which are on Western export embargo lists, thus flooding the West with these materials and seriously undermining its economic position. For example, East Germany is supposed to concentrate on optical instruments, machine tools, etc. The plan states that 70 percent of total machine tool production will be exported and only 30 percent reserved for trade with the Eastern Bloc.
4. In connection with this assault on the Western economy, East Germany is anxious to assemble trade delegations as rapidly as possible and send them to capitalist countries to negotiate trade agreements. These delegations are to consist of a representative of KfA, a representative of the Deutsche Notenbank, two people from the particular DIA, and two technicians or engineers. East Germany is interested especially in industrially underdeveloped countries, such as Brazil, Argentina and

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Chile, the Far East, and Africa, notably the Gold Coast. Delegations are to leave for these countries and others, in January, or at the latest, February. First and foremost, however, two delegations are to leave in December, if feasible, for tours of Denmark, Norway, Sweden, England, Belgium and Holland, while a third group will visit France, Switzerland and Italy.

5. Cocoa imports for the period of 1953 equalled 29 percent of established totals, and the imports of southern fruits were also far below established quotas, so that an acute shortage is anticipated for the Christmas season. In this respect, East German officials are worried, for they are fearful lest shortages at this festive season occasion further disturbances among the population.
6. East Germany lost about 8,000,000 (DM or rubles) (sic) in trade with Bulgaria, which supplied defective equipment and then disclaimed any responsibility for it.
7. There is going to be a shortage of Christmas trees this year in East Germany, and it will be necessary to import large numbers of them. Last year East Germany lost around 400,000 DM by importing trees from Rumania. The trees were small, stunted or otherwise not suitable for sale.
8. When the Economic Conference of the UN meets in Geneva in the spring of 1954, East Germany wants to send delegations to make direct contact with Western representatives. East Germany is also desirous of establishing direct rapport with the chairman of the conference.
9. East Germany is very short of hard currencies, as is most of the Eastern Bloc. Notably lacking are dollars, Swiss francs and Dutch guilders. As a result, much trade is being done strictly on a barter basis, of one type of goods for another.
10. Greece is becoming increasingly interesting to East Germany. After the spring UN Economic Conference, East Germany is planning to make a special effort to inform the Greeks of East German wares.

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